

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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MPR 306 AMENDMENT SETS UP PRICING REQUIREMENTS FOR PROCESSORS WHO OPERATE MORE THAN ONE PLANT

Also Provides Adjustments in Iowa,
New Jersey and Rules for
Computing Fractions

On August 24, 1943, the Office of Price Administration issued Amendment 15 to Maximum Price Regulation No. 306 which amends MPR 306 in the following ways:

1. F.O.B. PRICES ON FORMULA-PRICED PRODUCTS

In computing maximum prices under MPR 306, canners owning more than one plant are required to establish their f.o.b. maximum prices separately for each cannery, with one exception: If any group of two or more canneries packing formula-priced foods (as distinguished from regional flat prices) had the same 1941 price for any item, the maximum price for all the canneries in the group shall be the maximum price of the cannery which had the largest volume of production during the 1941 pack. The requirement that a single price shall be determined for a group of canneries if the 1941 price for an item was the same for that group, applies only to foods which are formula priced under MPR 306. Maximum prices for canned foods which are established on a regional, flat-pricing basis, must be determined separately for each cannery, even though the processor owns more than one cannery.

2. UNIFORM DELIVERED PRICES

Processors, who in 1941 sold on a uniform delivered price, are now permitted to establish uniform maximum delivered prices by zones or areas regardless of the plant of origin. Paragraphs (a) and (b) of Section 1341.561 provide a method for determining maximum delivered prices by zone or area, and a new paragraph (c) has been added to permit canners to average their maximum delivered prices (computed in accordance with paragraphs (a) and (b)) on the basis of the proportion of actual deliveries of the 1943 pack of the item to be made from each of the canneries operated.

3. USE OF FRACTIONAL PRICES

In computing maximum prices under MPR 306, canners are required to carry out their calculations to four decimal

places. When the maximum price has been thus determined, the price for all civilian sales shall be rounded off to the next higher full cent if the fraction is one-half or more, and reduced to the next lower full cent if the fraction is less than one-half cent. On sales to government procurement agencies, however, the fractions must be retained and not rounded off to the nearest cent.

4. READJUSTMENT FOR BLACKKEY AND FIELD PEAS

Blackeye, crowder, cream and field peas have been dropped from the price schedule for peas and have been added to the list of Miscellaneous Canned Vegetables in Group I of Section 1341.585 (a). These varieties of peas will now be priced on the basis of the processor's maximum price for the 1942 pack, plus 20 per cent of the raw vegetable cost per dozen as reported in Column 8 of the report filed under MPR 152. On sales to government procure-

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7TH DAY DOUBLE TIME EXEMPTION IS GRANTED

The Secretary of Labor, in an order approved August 25, granted the application of the canning industry for exemption from the requirement of Executive Order 9240 that double time be paid for each seventh consecutive day's work. In an earlier ruling, reported in the INFORMATION LETTER for March 6, the Secretary of Labor had ruled that the seventh day double time requirement be applied to the industry. The Association thereafter renewed its application, and the exemption from the requirement has now been granted. The text of the order of August 25 follows:

Upon application of interested parties for an exemption of the fruit and vegetable packing and canning industries from the provisions of Executive Order 9240 and after investigation and consideration of the relevant factors bearing on this application, I find that the

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Labor Department Warns Employers Regarding Compliance With Conditions Governing the Employment of 16-18 Year Old Girls

L. Metcalfe Walling, Administrator of the Wage and Hour and Public Contracts Divisions of the U. S. Department of Labor, on August 27 issued a warning to holders of government contracts under the Walsh-Healey Act, reminding them of the penalty involved for violations of its child labor provisions, particularly as applied to the exemption permitting the employment of girls from 16 to 18 under specified conditions. These conditions are as important as the age limitation, the Administrator pointed out, and breach of any one of them makes the employer liable to damages of \$10 a day for each person for each breach, an amount that can in no time reach a substantial figure.

Contractors often take it for granted that they are in compliance when they have met the age regulations, without giving consideration to the terms under which the employment of girls is permitted.

These limitations to their employment were set forth by the Secretary of

Labor, November 11, 1942, in granting an exemption for girls in the 16 to 18 year-old group. Under this exemption to the Act, which prohibits the employment of girls under 18, the bars are let down to permit employment of those between 16 and 18 years of age, providing such employment is for no more than 8 hours in any one day. The work period is limited to the hours between 6 a. m. and 10 p. m. Moreover, when State laws governing hours of work for women and children set stricter limits, then they must be met. No girl under 18 may be employed in any operation, or occupation, which under the Fair Labor Standards Act or under any State law or administrative ruling is determined to be hazardous in nature or dangerous to health; nor can she be employed at less than the minimum hourly rate set by, or under, the Fair Labor Standards Act or the Walsh-Healey Public Contracts Act for the industry in which the exemption is granted. A specific and definite lunch period of at least 30 minutes must be granted regularly. The contractor

must obtain and keep on file a certificate of age showing that the girl is at least 16 years old. Failure to comply with any of these conditions will incur the \$10 a day penalty.

The Secretary of Labor has agreed to consider requests for modification of the conditions of employment of these girls upon application by individual companies to employ such girls for 9 hours a day but not more than 48 hours a week if the purpose of the longer working day is to provide one shorter workday during the week. In some instances, permission also is being granted to employ these girls after 10 p. m. but not later than midnight where transportation facilities, both public and private, are scheduled to coincide with the shifts of the company which end at the later hour.

These girls may be employed under the modified conditions only if an authorization has been obtained from the Secretary of Labor. Application for an authorization may be sent to the National Office of the Wage and Hour and Public Contracts Divisions, 165 West 46th Street, New York 19, New York.

Authorizations are granted if a government contracting agency joins in the request with the applicant and if it appears that there is a shortage of labor in the area where the plant is located which warrants the employment of these girls under the modified conditions. A further provision is that the proposed working schedule must not be contrary to the laws of the State where the applicant's plant is located.

Alaska Salmon Pack Report

The following figures on the Alaska salmon pack, as reported by the U. S. Fish and Wildlife Service, show the pack by districts and species through August 7, 1943:

DISTRICT	Coho Cases	Chum Cases	Pink Cases	King Cases	Red Cases	Total Cases
Bristol Bay a.....	148	35,921		6,113	1,251,707	1,293,889
Alaska Peninsula:						
North side a.....		3,680	54	56	39,330	43,120
South side.....	6,049	64,898	112,901	1,904	173,715	359,467
Chignik.....	68	3,450	1,345	249	88,274	93,386
Kodiak.....	2,227	31,611	256,410	249	96,402	386,899
Cook Inlet a.....	23,349	25,642	57,692	31,196	102,131	240,010
Prince William Sound.....	6,281	25,346	430,858	101	10,121	472,707
Copper River.....				4,890	56,730	61,620
Yakutat.....	10		1,043	214	9,712	10,979
Icy Strait.....	2,203	60,091	48,881	117	10,785	117,057
Western.....	2,923	138,512	55,678	55	13,352	210,520
Eastern.....	2,472	70,403	32,710	710	6,210	112,505
Wrangell.....	4,247	42,489	26,318	54	9,163	82,271
South Prince of Wales Island.....	5,979	12,091	9,808	15	2,727	30,680
Southern.....	9,425	74,307	175,916	289	16,364	276,301
Total through August 7, 1943.....	65,381	358,441	1,204,674	46,212	1,886,703	3,791,411
Total through August 8, 1942.....	140,602	549,324	1,206,650	40,556	849,730	2,786,788

a Final.

BLUE AND SAND CRABMEAT PRICES ADVANCED BY OPA

Ceiling Increases Amount to 50 Cents
Per Dozen No. ½ Flat Cans

Price ceilings for domestic canned blue and sand crabmeat were advanced 50 cents per dozen for No. ½ flat cans at the canner level by the Office of Price Administration, August 25.

Canner ceilings now will be as follows per dozen cans, f. o. b. factory:

1. Blue crabmeat and sand crabmeat, fancy or white fancy, No. ½ flats, \$4.
2. Blue crabmeat and sand crabmeat, brown claw fancy, No. ½ flats, \$3.50.

Dungeness crabmeat continues unchanged at the ceiling of \$4 per dozen No. ½ flat cans at the canner level. The new ceilings will place blue crabmeat on a parity with the Dungeness crabmeat.

This action is contained in Amendment No. 1 to Maximum Price Regulation No. 247, effective August 30, 1943.

The increases in ceilings are the minimum required by law, OPA said. The crabmeat industry other than that located on the West Coast has presented data showing an increase in costs of 51 to 90 cents per dozen cans in May, 1943, over May, 1942. Live crabs or fresh crabmeat are not under price control and dealers in fresh crabmeat have been in a position to pay higher prices for crabs than the cannery can afford. Plans are being made to place ceilings on live crabs in line with the new prices on canned crabmeat, OPA indicated.

Canners are required to notify wholesalers and retailers of the change in their ceilings, in the form of a written notice informing them that they can refigure their ceiling prices on the first delivery of this item on and after August 30, 1943.

Provisions in MPR No. 247 which established maximum prices on canned

crabmeat for wholesalers and retailers have been deleted in amendment 1.

The amendment also changes the adjustable pricing, records and reporting sections to make them uniform with other OPA regulations. Text of Amendment 1 to MPR No. 247 follows:

1. Section 1364.251 is amended by deleting the words "On and after October 30, 1942, regardless of any contract, agreement, or other obligation, no person shall sell or deliver any domestic canned crabmeat, and no person in the course of trade or business shall buy or receive any domestic canned crabmeat" and inserting in their place the words "On and after October 30, 1942, regardless of any contract, agreement, or other obligation, no canner, or agent or other person acting on behalf, or under control, of such canner shall sell or deliver any domestic canned crabmeat, and no person in the course of trade or business shall buy or receive from a canner any domestic canned crabmeat."

2. Section 1364.252 (a) (1) is amended by deleting "\$3.50" and inserting in its place "\$4.00".

3. Section 1364.252 (a) (2) is amended by deleting "\$3.00" and inserting in its place "\$3.50".

4. Section 1364.253 is hereby revoked.

5. Section 1364.254 is amended to read as follows:

§ 1364.254. Notification of change of maximum price. With the first delivery after August 30, 1943, of any item of domestic canned crabmeat, in any case where a maximum price is determined pursuant to this regulation, the canner determining his maximum price shall supply each wholesaler and retailer who purchases from him with the following notice:

-----, 1943.

NOTICE TO WHOLESALE AND RETAILERS

Our OPA ceiling price for (describe item) has been changed under the provisions of Maximum Price Regulation No. 247. We are authorized to inform you that if you are a wholesaler or retailer pricing this item under Maximum Price Regulation No. 421, 422 or 423, and if we are your customary type of supplier, you must refigure your ceiling price for the item in accordance with the applicable pricing provisions of those regulations (see section 6 in each case). You must refigure your ceiling price on the first delivery of this item to you on and after August 30, 1943.

Fresh Seafood Amendment Protects Canner Ceilings

To protect existing ceilings on canned fish, the Office of Price Administration, on August 23, issued Amendment 4 to Maximum Price Regulation No. 418, changing the fresh fish and seafood regulation to provide that the maximum at which any seller can sell to a cannery is that established ex-vessel—the fisherman's maximum.

Canners customarily have done their buying directly from the fisherman. With the inauguration of ceilings under MPR 418, however, efforts were made

by middlemen to interpose in such sales, increasing the price to the canners, according to the OPA press release.

Inasmuch as ex-vessel maximum price only will be allowed in sales to canners, the canners may, as before, employ persons to deliver the fish from the dock to the cannery and pay such persons the charges allowed under MPR No. 165 (Services).

Another amendment to MPR No. 418 (Amendment 5) authorizes regional offices of OPA to adjust fisherman's ceiling prices, after approval of such adjustments by OPA's national offices, where circumstances make such adjustments necessary. This action, which became effective August 26, was taken, according to OPA, to meet situations in which fishermen sell to boats offshore rather than sell ex-vessel at the dock.

Price Adjustment Provisions On Raspberries for Home Use

The regulation controlling prices of fresh fruits and vegetables designed for home use, except at retail, has been amended by the Office of Price Administration to grant OPA field office the right to adjust raspberry prices on a local basis. This was accomplished through Amendment 6 to Maximum Price Regulation No. 426, effective August 23. Text of the governing section of the amendment follows:

Sec. 15, appendix C (e) (4) is amended to read as follows:

(4) *Adjustment provisions.* (See also Section 2 of Article 1.) Any regional office or such district office of the Office of Price Administration as may be authorized by the appropriate regional office, may, by order, adjust the maximum prices for raspberries as follows: The upward limit to which prices in Column I may be adjusted is the lower of (a) the average price received by growers for the 1942 crop in the region or district wherein the adjusted price is to be effected as determined by the regional or district office from official United States Department of Agriculture market news sources plus 3 cents per pound or (b) 18 cents per pound plus an amount equal to the freight between the area for which the adjustment is being made and the shipping point, in Oregon, Washington, New York, Pennsylvania, Ohio and Michigan, which is nearest to that area. The prices in Column I so adjusted shall be substituted for the corresponding base figures in Column II and III.

No adjustment upward may be made for raspberries grown or sold in the States of Oregon, Washington, New York, Pennsylvania, Ohio, or Michigan.

NEW RATION PLAN FOR CANNED FISH ANNOUNCED BY OPA

Will Enable Wholesalers to Purchase Major Share of Their Supply During Peak Season

Wholesalers who buy canned fish direct from canners and packers will be able to follow their usual custom of purchasing the major share of their supplies during the peak months of the packing season under a ration plan announced August 25 by the Office of Price Administration.

The purpose of the plan is to encourage maximum production by canners as it will permit their output to move speedily into the warehouses of wholesalers. This is being accomplished by increasing the ration purchasing power of the wholesalers by lending them points, with which they may buy supplies of canned fish during the current packing period.

While wholesalers who do not buy direct from canners or packers are not excluded from the borrowing procedure, it is believed their suppliers will have sufficient stocks to meet their demands and, therefore, these wholesalers will not need to borrow points.

OPA has prepared application forms and instructions for wholesalers as to how to proceed. On their applications wholesalers must show the pounds of rationed canned fish they held in inventory on May 1, 1942 and on May 1, 1943; pounds they purchased from May 1, 1942 to May 1, 1943; and total weight of rationed canned fish transferred during the week of April 25, 1943, to May 1, 1943.

On the basis of the estimated 1943 canned fish pack, and taking into account stocks on hand, it is indicated that wholesalers will have the same amount of canned fish available for civilian sales during the 12 months from May, 1943, through April, 1944, as they had during the corresponding 1942-43 period. The point loans will be computed on the basis of these estimates.

OPA stated that the loans may be revised upward or downward, if it is found that the actual pack deviates greatly from the estimated pack.

The points which the wholesaler receives from OPA may be used until May, 1944, and must be completely repaid within one year from the date of issuance. Under the terms of the loan the wholesaler is specifically prohibited from using the point loan for any purpose other than purchasing canned fish.

Wholesalers who borrow points are required to file a report with the OPA by the 10th of each month, beginning

September 10. These monthly reports are to show the amount of canned fish purchased and sold during the previous month, as well as the number of points received and paid out.

OPA officials explained that the estimates of the amount of canned fish from the 1943 pack available for civilian use have been revised upwards. Providing point loans should assure the unhindered flow of canned fish from canners into distributive channels, it was stated.

Jean Carroll Made Director Of OPA Food Price Division

The appointment of Jean F. Carroll of St. Louis as director of the Food Price Division in the Office of Price Administration has been announced by Chester Bowles, OPA General Manager. He will serve at OPA under direction of the new Deputy Administrator for Price, James F. Brownlee, whose appointment was announced in last week's INFORMATION LETTER.

Since May 1943, Mr. Carroll has been assistant director of the OPA Food Rationing Division on leave from the Kroger Grocery and Baking Company, with which he has been associated since 1937. He is appointed under the Congressional requirement that persons directing OPA price policy be experienced in business, commerce or industry.

A graduate of Iowa State College, Mr. Carroll taught business administration and marketing at Drake University and was dean of the College of Commerce and Finance. He left in 1927 to become director of research for the Meredith Publishing Company, publishers of *Successful Farming* and *Better Homes and Gardens*.

In 1932, with Victor H. Pelz, he formed the sales consulting agency of Carroll and Pelz in New York City, working particularly in the food industry.

Mr. Carroll went to the Kroger Grocery and Baking Company in 1937 as assistant to the general manager. The following year he became branch manager at Louisville, Ky., and later manager at St. Louis, where he directed the operation of 350 retail stores.

From July, 1942, to May, 1943, he worked as a special consultant to Brig. Gen. Carl A. Hardigg, chief of the Army Subsistence Branch, setting up the system by which the Army figures its food requirements.

MERIT-INCREASE FORMULA ISSUED FOR SMALL FIRMS

Technical Job Classifications Are Not Required for Concerns that Hire 30 or Fewer Employees

The National War Labor Board, on August 24, announced amended regulations which offer the small business firm, with 30 or fewer employees, a simplified merit-increase formula, which eliminates technical job classification schedule requirements but still retains the general controls of the national wage and salary stabilization program.

In addition to making the special exemption for small companies, the WLB greatly simplified its entire set of regulations in General Order No. 31. This order sets forth requirements which must be met in order to make individual wage or salary adjustments for merit increases, promotions or reclassifications, and in connection with apprentice or trainee programs, without applying to the WLB for approval in each case.

The formula for firms with 30 or fewer employees permits them to make merit increases without WLB approval, provided that the total of increases to any individual does not exceed 10 cents per straight-time hour during any year, starting with last July 1, and that the total amount expended on such increases during any such year does not exceed an average of 5 cents per straight-time hour for all the employees in the establishment whose wages or salaries are subject to the WLB jurisdiction.

Such increases must not result in rates exceeding the highest rate paid by the employer between July 1, 1942, and June 30, 1943, for jobs of similar skill, duties and responsibilities.

As in the case of the larger companies, such increases are not to result in an appreciable rise in production costs, furnish a basis for a price increase nor to be used as a basis for asking the WLB for approval of increases in other rates to eliminate intra-establishment inequities.

The increases cannot be made if they are contrary to the terms of any collective bargaining contract covering any or all of the employees of the company involved.

If the small company wishes, it may apply to the WLB for approval of a schedule for making individual pay increases in the same manner as provided in other sections of General Order 31 for companies with more than 30 employees.

The original General Order 31 was issued June 1, 1943. As amended

August 24, it contains a new and simplified plan for individual increases which companies may use if they do not have a schedule which meets Board requirements. Companies also may apply to the Regional War Labor Board for approval of their own proposed new schedules.

Unless they operate under schedules meeting WLB specifications as outlined in General Order 31, companies with more than 30 employees must obtain Board approval of individual wage increases, even if they are of the so-called "merit increase" type.

Schedules, to meet WLB specifications, must contain the following, the order explains: (1) job classification rates or rate ranges, and (2) a plan for making individual adjustments within and between such rates or rate ranges.

Existing schedules do not require Board approval if they fulfill the specifications in the order for job descriptions and for a plan of procedure for making adjustments, and if the plan was properly in existence because it either:

1. Was contained in a collective bargaining contract or other bona fide, established agreement which was in effect on June 30, 1943; or
2. Conformed to written statements, minutes or memoranda of the employer which were in existence and effect on or before June 30, 1943; or
3. Was a plan approved by the WLB or any of its authorized agents.

Employers who cannot meet those specifications with their established schedule may apply for Board approval of a schedule or they may adopt a plan outlined in the general order without seeking WLB approval.

This plan permits increases as follows:

1. Merit increases or automatic length-of-service increases: These must be made only within job classification rate ranges. The total to any individual employee shall not exceed, during any year (beginning July 1, 1943), 10 cents per straight-time hour or more than two-thirds of the difference between the appropriate minimum and maximum rates, whichever increase is greater. The total amount expended on such increases during any such year shall not exceed an average of 5 cents per straight-time hour for all the employees in the establishment who are covered by the plan and whose wage or salary rates are subject to WLB jurisdiction.

2. Promotions or reclassifications: When promoted or reclassified into a higher-rated job classification, an employee may receive a rate not in excess of 15 per cent above his rate on his former job or the minimum rate for the new job, whichever is higher.

Where an employee has special ability and experience, he may be paid a rate within the appropriate range corresponding to such ability and experience.

3. Apprentice or trainee programs: These involved individual rate adjustments resulting from improvement, over specified periods of time, in the productive abilities of apprentices or trainees who are employed under a bona fide apprentice or trainee program (as defined in the order). The increases in rates must conform to standards set forth in a collective bargaining agreement or in the applicable regulations of federal or state agencies.

"Merit increases" are defined as "individual wage or salary adjustments made as a reward for improved quantity and/or quality of work or service."

"Automatic length-of-service increases" are defined as "individual adjustments usually made automatically at the end of specified periods of satisfactory service."

Navy Men Permitted to Help In Harvesting and Processing

Regional Manpower Directors have been advised by the War Manpower Commission in Washington that Naval personnel may be used in the harvesting and processing of food crops, when emergencies exist. Procedures for the use of Navy men are believed to be substantially the same as the arrangements made by WMC with the War Department covering use of soldiers to assist with harvesting and processing. These were detailed in the INFORMATION LETTER for July 17.

Terms of the agreement between WMC and the Navy Department have been transmitted to Naval Districts and to the commandants of all river and air training commands. Use of such personnel will be granted only in emergencies, when all other labor sources have been exhausted and there is imminent danger of crop loss by reason of labor shortage. Cannerymen seeking the help of Navy men under such emergency circumstances should contact their State or Regional Manpower Directors or U. S. Employment Services.

Naval districts and commands are located at Boston, Mass.; New York, N. Y.; Philadelphia, Pa.; Norfolk, Va.; Charleston, S. C.; Miami, Pensacola and Jacksonville, Fla.; New Orleans, La.; Great Lakes and Chicago, Ill.; San Diego and San Francisco, Calif.; Seattle, Wash.; Annapolis, Md.; Washington, D. C.; Kansas City, Kans.; and Lakehurst, N. J.

LABOR AREAS REGROUPED

WMC Announces Classification Change and Additions to Market List

Among transfers made by the War Manpower Commission in labor market area classifications, are the following, effective September 1:

1. From Group II to Group I—Provo, Utah.
2. From Group III to Group II—Eugene, Oregon, and New Orleans, Louisiana.

Classified and added to the list for the first time are Bellingham, Washington—Group II, and Price, Utah—Group I.

The area classification, which serves as a basis for the development of manpower programs, as a guide for procurement agencies in the placing of war contracts, and in planning special recruitment programs of the WMC, is revised each month to make allowance for changes in the available labor supply. The list includes all labor market areas in which there is a city of 25,000 or more or in which at least 5,000 additional workers will be needed before peak production is reached.

The Commission divides labor areas into these four groups:

Group I—areas of acute labor shortage.

Group II—areas of labor stringency or in which a labor shortage may be anticipated within six months.

Group III—areas in which a general labor shortage may be anticipated after six months.

Group IV—areas in which the labor supply is and will continue to be adequate to meet all known labor requirements.

Food Production Is Made War Activity in Australia

The Australian War Cabinet has decided that the production of essential foods will be regarded in the future as a war activity and be given priority with other war departments in the allotment of materials, manpower and plant, according to the Department of Commerce.

Some of the surplus munitions plants are to be converted to the manufacture of agricultural and food processing machinery. These new industries will be entrusted to the Ministry of Munitions as production projects and classified for purposes of priority as munitions projects.

Plans are being advanced in various parts of the country for the mass production of vegetables on a scale never before attempted in Australia.

Wage Raise to 40¢ an Hour May Justify Price Increase

Wage increases up to 40 cents an hour now may be made and used as the basis for seeking price increases without the prior approval of the National War Labor Board. In an amendment to General Order No. 30, made public on August 27, the Board removed from the blanket authority to raise wage rates to 40 cents an hour, the limitation prohibiting such increases if they were to be used as justification for a price increase.

N.C.A.'s Manpower Recruitment Material Widely Used

Advertising materials, posters, newspaper mats, enrollment blanks, prepared under the supervision of the Association's Manpower Division for the purpose of assisting in community mobilization and recruiting workers, were widely used this season by many canners.

A summary of orders received for the materials shows that 387 different companies ordered at least one of the four kinds of materials supplied: 245 canners ordered 80,802 recruiting posters; 175 canners ordered newspaper mats; and 105 companies ordered both mats and posters.

Eighty-eight orders were received for the "Enrolled for Canned Food Production" poster and 74 orders were received for the small recruiting folders.

In addition to this, 221 companies ordered through the N.C.A. free government posters for use within the plant.

Scattering first-hand reports from almost all sections reveal that many thousands of "volunteers" are ensuring vast quantities of canned food production. The best and most effective instances of this kind seem to be in communities where the canner had made careful preparation well in advance.

We have not been bombed. We have been spared the horror of tumbling buildings and screaming civilian victims. That is because our boys and their allied comrades have succeeded in keeping the enemy busy elsewhere. Your War Bond buying has provided the weapons. More and more weapons will be needed as invasion comes. Up your payroll savings at once. Figure it out for yourself how much beyond 10 per cent you really can sign up for.

TOMATO PICKING WAGES

Maximum Rates Established by WFA For 20 California Counties

Maximum picking rates of 17 cents for round- and 21 cents for pear-shaped canning tomatoes, per 50 pound field box, have been established by the War Food Administration in 20 California counties. These maximums were specified in public notices on August 25 and 26 and apply to the counties of Monterey, San Benito, Merced, Stanislaus, Santa Clara, Alameda, San Joaquin, Contra Costa, Sacramento, Solano, Napa, Sonoma, Yolo, Butte, Colusa, Placer, San Mateo, Santa Cruz, Sutter and Yuba.

The notices establishing the maximum wage rates state that the wages of tomato pickers in the counties covered "are not substandard and no increases in the wages paid to such tomato pickers in the counties stated shall be made above the maximum wage rates without the approval of the War Food Administrator." However, the Wage Board of California of the U. S. Department of Agriculture, 2288 Fulton Street, Berkeley, has been delegated the authority to receive and act on appeals from hardships and applications for adjustments in wages.

These maximum rates, the Department of Agriculture announced, are based upon information obtained at a recent public hearing conducted by the USDA Wage Board of California, and from other sources. They are approximately the prevailing wages being paid for such work, but average about 25 per cent higher than last year's rates. Last year's rates ranged from 11 to 15 cents or an average of 13 cents per 50-lb. field box of round tomatoes, and for the pear-shaped, about 17 cents per box. The pear-shaped tomatoes being smaller, it takes longer to fill a box.

An average worker can pick 40 to 50 boxes of either round- or pear-shaped tomatoes in a nine-hour day, the Department stated, adding, however, that skilled, fast workers can pick considerably more per day.

This is the second official determination of maximum wages made under the authority to stabilize wages and salaries of agricultural labor delegated to the War Food Administrator by the directive of November 30, 1942, of the Economic Stabilization Director. On the grounds that "the general level of salaries and wages for agricultural labor is substandard," the directive, in Section 4001.5 (b), authorizes increases to be made in agricultural wages or salaries which are under \$2,400 per year, until public notice is given that (with respect to areas, crops, classes of employers, or otherwise) in-

creases may no longer be made without the War Food Administrator's approval.

Last April 12, the first public notice issued under the authority of this directive established maximum wage rates for work in connection with the harvesting of asparagus for canning and freezing in five California counties—Sacramento, San Joaquin, Yolo, Solano and Contra Costa.

Arthur G. Kraemer Dies

Arthur G. Kraemer, 55, president and production manager of the Mammoth Spring Canning Company, Sussex, Wisconsin, died suddenly at his home, August 11. Mr. Kraemer was associated with his brother John in the business and operated plants at Sussex, Oakfield and Eden.

Born at Rockfield, Wis., Mr. Kraemer came to be the head of one of the Wisconsin canning industry's first families. He organized the Rockfield Canning Company and later the Mammoth Spring Canning Company with plants at Sussex, Eden, and Oakfield, and was the inventor of several methods and devices that he patented for use in the industry.

Dr. P. J. Donk Dies in Canada

Dr. Peter J. Donk, director of research for the American Can Company in Canada, died in a Hamilton, Ontario, hospital August 19, after a six months' illness. He was 55. Funeral services and burial took place at Hamilton August 21.

Dr. Donk was born in Tallahassee, Florida, had been research chemist with the Snider Packing Corporation for 10 years, and was with the National Canners Association for seven years. Following a year as production manager of Associated Quality Canners, of Quebec, Dr. Donk joined the research staff of American Can Company at Hamilton, in 1936.

Portugal Olive Oil Production

Production of olive oil in Portugal for 1943 is estimated at 21,134,000 gallons compared with the 1933-39 average annual production of 15,959,340 gallons, according to the Department of Commerce. Domestic consumption has increased because of the scarcity of animal fats for cooking and is estimated at 18,492,000 gallons annually.

Freezers May Price Spring And Fall Packs Separately

Packers selling frozen commodities of which there are two seasonal packs—for instance, the spring and fall packs of spinach—may figure maximum prices separately for each pack, the Office of Price Administration said on August 28.

This clarification, through Amendment No. 4 to Maximum Price Regulation No. 409 (Frozen Fruits, Berries and Vegetables—1943 Pack and After) was necessary because the regulation requires that raw material adjustments on frozen commodities sold under its provisions be based in each case on not less than the first 75 per cent of 1943 raw material purchases. Obviously, a packer could not wait until fall to price his spring pack.

The amendment, which became effective August 28, 1943, also authorizes packers who have customarily maintained uniform prices for their various factories to establish a uniform maximum price by taking a weighted average of the maximum prices of the separate factories involved. At present, the differences in area adjustments under the Commodity Credit Corp.'s subsidy program, for both labor and raw materials, have introduced pricing variations by area.

The amendment further provides that the requirement that "no-storage" price reductions must be shown on packers' invoices, as an allowance to the purchaser on the selling price, is henceforth limited to sales other than those to government procurement agencies. Because these agencies do not buy for resale, and therefore have no need to determine a "net delivered cost," the invoice requirement is unnecessary and is eliminated to save unnecessary paper work.

7TH DAY DOUBLE TIME EXEMPTION IS GRANTED

(Concluded from page 7821)

nature and exigencies of operations in these industries make it necessary and advisable for the successful prosecution of the war to determine that the provisions of Executive Order 9240 shall not apply to the fruit and vegetable packing and canning industries as defined herein.

Now, therefore, by virtue of the power vested in me by Executive Order 9248, it is ordered that in the case of an employer engaged in the first processing of, or in canning or packing, perishable or seasonal fresh fruits and vegetables, the provisions of Executive Order 9240 shall not apply to his employees in any place of employment where he is so engaged.

WANTED AND FOR SALE

Machinery—Equipment

This column is open only to members of the Association who want to buy or sell canning machinery and equipment. Names of firms listing the items below will be furnished upon application to the Association. In requesting names, please identify items by number.

WANTED

100-W—24/2 caser, hand power.

FOR SALE

277-S—30-foot combination tomato washer and scaldier. Brass roller type.

278-S—10-foot 10-inch spiral worm conveyor.

279-S—14-foot 14-inch spiral worm conveyor.

280-S—Two 150-h.p. horizontal return tubular boilers located in western New York State.

Support Prices for Raisins

The War Food Administration has announced grower support prices for West Coast dehydrated raisins.

Golden bleached, sulphur bleached and soda dipped Thompson seedless raisins will be supported at \$195 per ton, Valencia or dehydrated Muscats at \$205 per ton, and the so-called Zante currants at \$215 per ton. Support prices for natural or sun dried raisins and dried prunes were announced on August 2.

In addition to these support prices, the WFA said that a grower support price of \$180 per ton for tray slip muscats will be reflected in the ceiling prices for 1943 packs of Muscat layer and cluster raisins.

Blueberry Diseases in Maine

The principal diseases attacking blueberries in Maine are described in a recent bulletin published by the Agricultural Experiment Station, at Orono. Control of these diseases without fungicides includes pruning, eradication, burning, and choice of resistant varieties and resistant wild clones. Fungicides of several types controlled foliage diseases and increased yields, on the basis of experiments conducted by this station, and reported in the publication, "Blueberry Diseases in Maine".

Reservation Quota Reduction Order Is Made Official

Reductions in the quantities of certain canned fruits and vegetables required to be set aside under Food Distribution Order No. 22.4 were formally issued on August 19 by the War Food Administration. The reductions had been announced by WFA on August 11 and appeared in the INFORMATION LETTER for August 14 along with a few changes in grade preferences required by the order.

The amendment to the order making the changes legal carries an effective date of August 11, the day of the original announcement of the reductions and substitutions in grade preferences.

WIDE MOUTH JAR PRICING

Quantity Discount Is Not Applicable To Current "Standard" Line

The system of below-list price differentials, published or unpublished, for large quantity purchases which prevailed in the wide mouth glass container industry during July, 1941, does not apply to current sales of the industry's "standard" line, the Office of Price Administration announced August 24.

Amendment No. 3 to Regulation 382 (Wide Mouth Glass Containers), effective August 30, 1943, has the effect of continuing the industry's own method of pricing the newly developed "standard" line and keeping in force the industry's old system for pricing other lines, as follows:

1. Quantity discounts for the "standard" line—first introduced in February, 1942—are limited to the lowest possible published price to any purchaser of a single order of 1,000 cases or more.

2. For all containers other than the "standard" line, all price differentials which were or would have been allowed on the sale of the containers during July, 1941, by any manufacturer to large quantity purchasers must be maintained and continued.

The "standard" line, OPA explained, was developed by the industry to effect a conservation of materials and at the same time increase output of the ware needed in increasing amounts by commercial food packers. The line was first introduced in February, 1942, but the industry initiated a new system of pricing at the same time. Instead of annual total purchases or purchases for even longer periods of very large quantities being the basis for which discounts were offered from list prices, a system was begun which gave the lowest possible published price to any purchaser of a single order of 1,000

cases or more. This system did not preserve the industry's discounts to large contract purchasers who previously had received lower than published prices on the basis of their total annual purchases.

A second change in the regulation is accomplished by the amendment which changes the period of the base date in the section dealing with the price differentials. From a 24-hour period the amendment extends the base date to include the entire month of July, 1941, instead of just the first day of that month.

New Containers Division Head

E. F. Tomiska of New York, Deputy Director of the War Production Board Containers Division, was appointed Director, August 23, by Operations Vice-Chairman Hiland G. Batcheller. He succeeds Roswell G. Mower, of Chicago, who resigned as Director effective August 28.

Russell Gowans, former President of the Western Crown Cork and Seal Corporation, who has been an Assistant Director, will become Deputy Director of the Division.

The new Director, Mr. Tomiska, joined WPB as Chief of the Fibre, Wood and Fabric Section in June, 1942. He became Assistant Director of the Containers Division in November of that year, and later was designated Deputy Director. Mr. Tomiska, whose home is in Summit, N. J., is on leave from the Western Electric Company, New York, where he served as a packaging engineer.

Fruit Cocktail, Mixed Fruit Sales Are Permitted by OPA

Order 3, under Section 1341.566 of Maximum Price Regulation 306, which was issued and became effective on August 21, provides that canners of fruit cocktail and mixed fruit "may sell and deliver the same under agreements with buyers in each case to adjust the selling price in accordance with action taken by the Office of Price Administration after delivery thereof."

The order permits selling operations to go forward in advance of a forthcoming pricing order, and was issued to relieve a crowded warehouse condition.

It's Invasion Time . . . Your Government Needs More Bond Buying Every Pay Day

SCHOOL LUNCH PROGRAM

New Federal Reimbursement Program Embraces \$50,000,000 Fund

A new nation-wide school lunch program to be inaugurated this fall will operate on a "reimbursement plan" wherein a \$50,000,000 Federal fund administered by the Food Distribution Administration will be used to reimburse local sponsors for such foods as fresh and processed fruit, vegetables, meat, and milk.

The program, it is estimated, will result in a new retail food market of \$70,000,000 to \$80,000,000 since 40 per cent of the total food cost is to be met by State and local agencies.

Local sponsors will organize the lunch programs, purchase the food from local food suppliers, and be reimbursed—up to specified amounts—for the cost of the foods thus served. This differs from past school lunch programs in which the Department of Agriculture has cooperated.

In previous years, foods were purchased directly by the Department and distributed to schools through State welfare agencies. This year, however, the buying will be done locally by sponsors through normal trade channels. Under the reimbursement plan, sponsors will buy from local farmers, canners, food wholesalers and retailers, using the methods best suited to local conditions.

The program is designed to furnish well-balanced, vitamin rich diets that will result in healthier children and cut down absences due to illness, to increase alertness, to raise student morale and educational standards.

Schools and child-care centers will receive ration stamps for rationed foods on the "reimbursable list" under Office of Price Administration stamp allowances for institutions.

Redistribution of Truck Tires

Eligible truck operators who hold tire rationing certificates but who are unable to locate within their county the proper tires may apply to their nearest Motor Transport District Office of the Office of Defense Transportation for assistance, the ODT announced August 24.

This information will in turn be transmitted daily to the Office of the Rubber Director, who will endeavor to arrange for the proper redistribution of tires so that all the certificates can be honored as quickly as possible after issuance.

To Establish Peach Quotas

The War Food Administration, on August 24, called on Washington and Oregon shippers of Elberta peaches to file reports of the interstate shipments which they made in 1942, and since the beginning of the marketing season this year through August 21.

The reports, which are required under Food Distribution Order 74, will be used in establishing quotas for Elberta peach shippers. FDO 74 restricts Washington and Oregon from shipping more Elberta peaches out-of-State this year than they did in 1942. The measure was necessary to prevent the undue diversion of these peaches from canning to fresh market outlets because of the need for the processed fruit to meet urgent government requirements.

Circular on Tomato Peeling

A series of photographs illustrating a suggested method for the simplified peeling of tomatoes has been presented by Purdue University in Miscellaneous Publication 23, entitled "An Easy Way to Peel Canning Tomatoes". Prepared by W. E. Mundel, W. E. Luley and Roscoe Fraser, of the Purdue Farm Work Simplification Laboratory, the circular represents an approach to a more uniform and efficient method of tomato peeling, and its foreword states that "it is presented at this time in the hope that some canners may find it of value in 1943, and offer suggestions for improvement." Further studies will be made in the laboratory and in canning factories to obtain additional information.

The illustrations depict, in sequence, the techniques of holding the fruit and guiding the knife. The authors studied the peeling methods of selected peelers. These methods then were analyzed to determine exactly how each peeler worked. Parts from each of the methods were embodied into one single method representing selected parts of all the skills exhibited.

Pressure Cooker Production

Reports from manufacturers of pressure cooker-canners received by the War Production Board advise that the program for producing 275,000 of these units in time for canning seasons this year will be about 85 per cent accomplished by September 1.

It is estimated that by September 1 the total will be more than 225,000.

MPR 306 AMENDMENT SETS UP REQUIREMENTS FOR OPERATORS OF MORE THAN ONE PLANT

(Continued from page 7821)

ment agencies the maximum price will be 90 per cent of the maximum price established for civilian sales. In determining the adjustment of maximum prices for approved increases in wage rates for blackeye, crowder, cream and field peas, the canner must use the differential for Miscellaneous Vegetables in Group I which appears in Appendix D, Section 1341.586 (d) (1), instead of the differentials listed for the various regions for peas under Section 1341.586 (a) (1).

5. NEW JERSEY ASPARAGUS PRICES

Specific maximum prices have been established for asparagus canned in New Jersey. Under the new price schedule for New Jersey, asparagus prices remain the same except for four sizes. The maximum price for mammoth spears in No. 2 cans is \$3.40, a reduction of 5 cents; medium spears in No. 2 cans are \$3.20, an increase of 5 cents; small spears in No. 2 cans are \$3.10, an increase of 15 cents; and center cuts in No. 2 cans are \$1.60, an increase of 10 cents. (See paragraph 1341.584 (f) (1)).

6. PRICE ADJUSTMENT FOR WAGE INCREASES

Canners in New Jersey and Iowa have been authorized to adjust their maximum prices to reflect wage increases approved by the Office of Economic Stabilization. This has been accomplished by adding New Jersey and Iowa to the following regions in Section 1341.586, Appendix D. (These tables were set forth in Amendment 9, copies of which were mailed by the Association to all canners on July 6).

Peas: New Jersey added to Region I; Iowa added to Region II.

Tomatoes: New Jersey and Iowa added to Region II.

Corn: New Jersey added to Region IV; Iowa added to Region II.

Snap beans: New Jersey added to Region III; Iowa added to Region IV.

Spinach, mustard greens and turnip greens: New Jersey and Iowa added to the States listed.

Asparagus: New Jersey and Iowa added to the list beginning with Colorado and ending with Wisconsin.

Tomato juice: New Jersey added to the states of Delaware and Maryland; Iowa added to the States beginning with Illinois and ending with Wisconsin.

All tomato products except tomato juice: New Jersey and Iowa added

to the States beginning with Delaware and ending with Wisconsin. Freestone peaches and pears: New Jersey and Iowa added to the States listed.

Miscellaneous vegetables, Groups I, II, and III: New Jersey and Iowa added to the States listed.

Apricots, cherries (except red sour), figs, fruit cocktail, plums and fresh prunes: New Jersey and Iowa added to the States listed.

Miscellaneous berries listed in Appendix E: New Jersey and Iowa added to the States listed.

7. MISCELLANEOUS AMENDMENTS

Section 1341.587, Appendix E, has been amended to provide that the raw berry cost for wild blueberries grown in Maine, Massachusetts, New Hampshire and Vermont, shall not exceed 12 cents per pound. Previously wild blueberries grown in these States were included with cultivated blueberries.

Section 1341.584 (h) has been amended to provide that the maximum price for sales to government agencies of tomato catsup in No. 10 cans, shall be at least equal to the maximum price to government agencies for the same grade of catsup in 14-ounce bottles multiplied by 6.5.

Fresh shelled beans have been added to the list of Miscellaneous Canned Vegetables in Group II, appearing in Section 1341.585, Appendix C. In determining the 1943 raw vegetable cost of fresh shelled beans, the support price for snap beans shall be used. In addition, any canner who purchases any of the raw vegetables listed in Group II in a support price area other than that in which the cannery is located, shall use the support price for the area in which the raw vegetable was grown and may add the actual cost of transportation to the cannery at the lowest carrier rate available. The complete text of Amendment 15 follows:*

Maximum Price Regulation No. 306 is amended in the following respects:

1. Section 1341.560 is added to read as follows:

§ 1341.560 F. O. B. factory prices where the processor owns more than one factory. For each item covered by this regulation for which regional flat prices are established, in cases where the processor owns more than one factory, f.o.b. maximum prices shall be determined separately for each factory. For all other items covered by this regulation,

*Editor's note: In Amendment 15 references are made to sections which appear in both Amendments 9 and 11. The complete text of Amendment 9 was not published in the INFORMATION LETTER but copies were sent by the Association to all canners in the form as published by the Office of Price Administration. The text of Amendment 11 appeared in the July 31 LETTER.

f. o. b. maximum prices shall also be determined separately for each factory except that if any group of two or more factories had the same f. o. b. factory price for the 1941 pack of an item, the maximum prices for such item for all the factories in the group shall be the maximum price of the factory in the group which had the largest volume of production during the 1941 pack.

2. Section 1341.561 (e) is added to read as follows:

(e) Any processor who sold or delivered any item covered by this regulation, packed by him during the calendar year 1941, from two or more of his factories on an established uniform delivered price basis by zone or area regardless of the factory from which shipment was made, may continue such practice and establish maximum delivered prices by averaging the maximum delivered prices computed in accordance with paragraphs (a) or (b) with respect to sales from each such factory on the basis of the proportion of actual deliveries of the 1943 pack of the item to be made from each of his respective factories.

3. Section 1341.564 is added to read as follows:

§ 1341.564 *Treatment of fractional parts of a cent in figuring maximum prices.* (a) Amounts computed in the process of, or as a step in, figuring a maximum price (other than the maximum price itself) shall be carried to four decimal places (hundredths of a cent). Any further fraction shall be disregarded.

(b) The final computation in figuring a maximum price, per dozen or other unit, on sales other than to government procurement agencies, shall be rounded off to the next higher full cent if the fraction is one-half cent or more, and shall be reduced to the next lower full cent if the fraction is less than one-half cent. On sales to government procurement agencies, however, the final computation in figuring the maximum price shall be carried to four decimal places (hundredths of a cent) and any further fraction shall be disregarded.

4. The headnote of § 1341.584 (a) is amended to read as follows:

(a) *Peas (except blackeye, crowder, cream and field peas).*

5. Section 1341.584 (a) (7) is revoked.

6. The item "Peas, blackeye, crowder, cream and field" is added to the list of miscellaneous canned vegetables in Group I of § 1341.585 (a).

7. The headnote of § 1341.586 (a) (1) is amended to read as follows:

(1) *Peas (except blackeye, crowder, cream and field peas).*

8. The terms "blackeye" and "crowder" are deleted from the fourth column of the table in § 1341.586 (a) (1).

9. Column 8 of the table in § 1341.584 (f) (1) is redesignated Column 9, and a new Column 8 is added to read as follows:

Col. 1	Col. 8	
Item No.	New Jersey	
	No. 2 cans	No. 10 cans
1.....	\$3.50	
2.....	3.40	
3.....	3.30	
4.....	3.20	
5.....	3.10	
6.....	2.00	\$13.00
7.....	1.00	7.50

10. The introductory clause of subparagraph (4) of § 1341.584 (f) is amended to read as follows:

(4) If the processor cannot establish a maximum price for any particular variety, style, grade, size and container size of asparagus, packed in tin, under the foregoing provisions:

11. Subdivision (i) of § 1341.584 (h) (6) is revoked, and a new subdivision (i) is added to read as follows:

(i) 96 per cent of the maximum price for sales other than to government procurement agencies as established under paragraphs (2) and (4), respectively, plus

12. Section 1341.584 (h) (7) is added to read as follows:

(7) The processor's maximum price per dozen No. 10 cans of tomato catsup for sales to government procurement agencies, regardless of the provisions of paragraph (6), shall be at least equal to his maximum price per dozen for the same grade in 14 ounce bottles (determined under paragraph (6)) multiplied by 6.5.

13. The item "Beans, fresh shelled" is added in its alphabetical order to the list of miscellaneous canned vegetables in Group II of § 1341.585 (a).

14. Section 1341.585 (a) (2) (1) (b) is amended by adding immediately after the last sentence the following:

Provided, That for fresh shelled beans use the support price of the War Food Administration for snap beans for the area where the processor's factory is located: And provided further, that where the processor purchases any of the raw vegetables in Group II in a support price area other than that in which his factory is located, he shall use the applicable support price for the area in which the raw vegetable was grown with respect to the quantities so purchased, and he may add with respect to such quantities the actual cost of transportation to his factory at the lowest contract or common carrier rate available.

15. Section 1341.586 (a) is amended by adding the States of Iowa and New Jersey in alphabetical order as set forth below:

a. In subparagraph (1) New Jersey is added to the list of States for Region I, and Iowa is added to the list of States for Region II.

b. In subparagraph (2) Iowa and New Jersey are added to the list of States for Region II.

c. In subparagraph (3) Iowa is added to the list of States for Region II, and New Jersey is added to the list of States for Region IV.

d. In subparagraph (4) New Jersey is added to the list of States for Region III, and Iowa is added to the list of States for Region IV.

16. Section 1341.586 (b) is amended by adding the States of Iowa and New Jersey in alphabetical order to the list of States in subparagraph (1), and to the group of States beginning with Colorado and ending with Wisconsin in subparagraph (2).

17. Section 1341.586 (c) is amended by adding the States of Iowa and New Jersey in alphabetical order as set forth below:

a. In subparagraph (1) New Jersey is added to the group of States consisting of Delaware and Maryland, and Iowa is added to the group of States beginning with Illinois and ending with Wisconsin.

b. In subparagraph (2) Iowa and New Jersey are added to the group of States beginning with Delaware and ending with Wisconsin.

c. In subparagraph (4) Iowa and New Jersey are added to the list of States.

18. Section 1341.586 (d) is amended by adding the States of Iowa and New Jersey in alphabetical order to each list of States in subparagraphs (1), (2), and (3).

19. In section 1341.587 (a) (2) (ii) the list of raw berries is amended to read as follows:

Raw berry	Maximum cost
Blueberries, except wild berries grown in Maine, Massachusetts, New Hampshire, and Vermont.	1942 cost per pound as required to be computed under MPR 185 plus \$0.03 per pound.
Cranberries, huckleberries, and strawberries.	
	Maximum cost per pound
Blackberries.....	\$0.12
Blueberries, wild, grown in Maine, Massachusetts, New Hampshire and Vermont.....	.12
Boysenberries.....	.12
Gooseberries.....	.08
Loganberries.....	.12
Raspberries, black.....	.13
Raspberries, red.....	.15
Youngberries.....	.12

This amendment shall become effective August 24, 1943.

Issued this 24th day of August, 1943.

**Back the Attack by Upping
Your Payroll Savings
Your Very Next Payday**

Internal Revenue Commissioner Revises Transportation Tax Ruling

Canners Charging Farmers for Handling Raw Product to Cannery Not Required to Pay

In April, 1943, a ruling was requested from the Commissioner of Internal Revenue as to the effect of the transportation tax upon incidental trucking activities by canners. Several hypothetical situations were presented to the Commissioner, and on April 29, 1943, he ruled:

(1) In delivering the finished canned product, if the delivery activities of the canner are carried on with his own employees and equipment and are merely incidental to selling his product, the transportation tax would not apply, even though a separate charge is made for such delivery. (2) Where the canner purchases the raw materials from the farmer f.o.b. the cannery, and title passes to the canner at the plant, the tax would apply to the amounts paid by the farmer for the transportation of the raw materials from the farm to the cannery, since the canner in such case would be considered to be engaged in the business of transporting property for hire.

The Commissioner's ruling was reported in the INFORMATION LETTER for May 15, 1943, and it was there pointed out that the Commissioner's ruling was somewhat inconsistent, since it would appear that if the incidental character of the trucking operations is to be considered in applying the tax to the finished canned foods, it should likewise be considered in applying the tax to the raw material transportation.

The Commissioner has reconsidered his ruling of April 29, 1943, and has advised Association counsel that if the canner hauls farm products from the farms to the cannery, and charges the farmer for the transportation, such hauling is incidental to the canner's business of canning and the transportation tax will not apply. The text of the Commissioner's ruling follows:

Further reference is made to your letter dated April 13, 1943, requesting, on behalf of the National Canners Association, a ruling concerning the application of the tax on the transportation of property imposed by section 3475 of the Internal Revenue Code, with respect to certain trucking activities in the canning industry.

One of the situations with respect to which you request advice was described by you as follows:

"1. In many instances it is customary for canners to purchase raw materials delivered to the cannery. Some canners, however, truck the raw materials for farmers who do not have adequate trucking facilities and make a nominal charge for the transportation. The charges are calculated in several different ways—on a ton, mileage, bushel or other basis."

Under date of April 29, 1943, you were advised that where the canner purchases the raw materials from the farmer f.o.b. the cannery and the title passes to the canner at the plant, the tax would apply to the amounts paid by the farmer for the transportation of the raw materials from the farm to the cannery, since the canner in such case would be considered to be engaged in the business of transporting property the raw materials passes to the canner for hire. However, where the title to at the farm, the canner would be transporting his own property and there would be no taxable transportation involved.

The foregoing matter has been reconsidered by the Bureau. It is now held that where a canner hauls farm products from the farms to the cannery, such hauling is incidental to the canner's business of canning and the canner is not regarded as a person engaged in for hire within the meaning of section 3475 of the Code. Accordingly, in such a case the tax would not apply to the amounts paid to the canner for hauling the farm products regardless of whether title to the products passes to the canner at the cannery or at the farm.

To the extent that the ruling contained in Bureau letter of April 29, 1943, is inconsistent with the above, such ruling may be disregarded.

WFA To Set Base Pear Quotas

Quotas for interstate shipments of Bartlett and Beurre Hardy pears from West Coast States will be based on reports by individual shippers, the War Food Administration said August 24.

Under Food Distribution Order 65, pear shippers in Washington, Oregon and California will be required to report the quantities of Bartlett and Beurre Hardy pears which they shipped out-of-State for fresh consumption in 1942, and from the beginning of the season through August 21 of this year. The data are needed to establish shipping quotas for the 1943-44 season and

Everybody every payday. It takes both—War Bonds and War Taxes. You've done your bit. Now do your best. They give their lives. You lend your money. And now back the invasion by figuring it for yourself how much beyond 10 per cent every member of your family can up their payroll savings.

to determine what portion of their quotas shippers have shipped thus far this year.

FDO 65 restricts California Bartlett and Beurre Hardy pear shippers from shipping more pears out-of-State for fresh consumption this year than they did for this purpose in 1942. The order limits Oregon and Washington shippers to a total quantity not in excess of 75 per cent of the amount shipped interstate for fresh consumption last year.

Exposure Samples Examined

On August 20 the sample cans with different coating materials that had been prepared at Mt. Morris, New York, and subjected to severe exposure to sea-water and outdoor storage at the Gulf Coast of Florida were examined. The following representatives of the armed forces were present in addition to members of the Technical Committee:

Lt. Col. J. M. White and Major D. L. Deane of the Chicago Subsistence Research Laboratory; Lt. E. K. Walsh, Bureau of Supplies and Accounts, U. S. Navy; and the following from the Office of the Quartermaster General: Capt. George Muth, Research and Development; Capt. T. Phillips, Subsistence Division; W. E. Vaughn, Consultant; W. Wright, Research and Development; Earl Newton, Field Representative.

A report of the entire investigation is being prepared for submission to Brig. Gen. Carl A. Hardigg.

Frozen Turkey Prices Set

Prices for dressed, drawn and quick-frozen eviscerated turkeys sold to the Army during the months of August and September were made effective by the Office of Price Administration, August 21.

Based on recommendations by procurement officials of the Army, OPA determined that the maximum price for sales to the Army during August shall remain unchanged from that previously set at 3½ cents per pound over the base price for the months of November, December and January. The 3½ cents represents an addition for storage charges. The price for September deliveries to the Army is adjusted upward from 2 cents to 3 cents per pound over the base price.

The purpose of this action, taken through Amendment No. 13 to Revised Maximum Price Regulation 260, is to assure procurement of turkeys for the armed services for their Thanksgiving dinners, OPA explained.